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## Tapping the Fed's computer

On most Friday afternoons at 4:15, the Federal Reserve releases the money-supply figures from the previous week. In the past, that has set off a flurry of activity in financial centers around the world. Short-term interest rates often rise or fall on the basis of what the Fed reports, causing swings in the prices of bonds and often stocks. Anyone who could find out in advance what the figures would be might reap huge profits by buying or selling.

Such was the scheme of Theode C. Langevin, 34, a six-year employee of the Federal Reserve Board who moved to E.F. Hutton in mid-November. During his last 18 months at the Fed, Langevin, a \$37,300-a-year economist, was given daily access to the central bank's computer by telephone. When Langevin left his

code num of an unwitting colleague. On his very first day at his approximately \$60,000-a-year job at Hutton, Langevin punched the number into a push-button telephone and was immediately connected to the Fed's computer.

Only a day later, Langevin's ruse was discovered. His illegal tap had been recorded on a log maintained by the computer and printed out daily. A supervisor scanned the list and discovered that the Fed worker whose number Langevin had lifted was on vacation. As soon as that worker was cleared, the Fed set a trap. It created fictitious money-supply data and then rigged the computer telephone line with a tracing device. When Langevin made his next call, he was caught. Says a Fed official: "He walked into the henhouse to steal some chickens, and the gate closed behind him."

Officials at E.F. Hutton had been in-

shortly thereafter. They said they did not get any information from him or benefit in any way. Langevin blamed his action on a "personal situation" that he refused to identify. He told TIME: "I made a bad mistake. It may ruin my career. It was the first time I ever did anything like this." He faces a fine of up to \$1,000 and a jail term as long as five years.

The Fed's computer has been compromised once before. In 1975 an employee gave *Consumer Reports* a printout of bank interest charges, which the magazine subsequently printed. Ironically, Langevin stood little chance of profiting from his pilfered data. Since last October, the Fed has been giving much less weight to the money supply in formulating policy. When Langevin was performing his electronic theft, the information was worth less than at any time in the past three years.

# Dividends

## Horses: Gift or Trojan?

In the eyes of some, Japanese automakers will stop at nothing in their efforts to win a larger share of the U.S. market. So when Toyota Motor Sales, U.S.A., donated 25 trucks to the County of Los Angeles as the first step in a nationwide program of gifts to nonprofit organizations to mark the company's 25th year, it provoked some unusual reactions. While no one wanted to appear to be giving aid and comfort to the archenemy of U.S. automakers by thanking the Japanese profusely, no one wanted to be accused of turning down 25 free trucks for the county, either.

Los Angeles County Supervisor Kenneth Hahn called the gift "generous," but took pains to add, "In no way does this mean that the agonies and frustrations of unemployed American autoworkers have gone away." A local labor union official complained that Toyota's gift "is another way that foreign companies, with their propaganda, are influencing the American people." He observed, however, that creative charity of this kind was "something the American industry neglected to do."

For its part, Toyota noted that the vehicles were donated in the same spirit in which the company made cash donations of at least \$2 million to a variety of organizations during the past five years, including \$1 million to the U.S. Olympic Committee in 1978. A Toyota spokesman, who estimated the value of the trucks at \$280,000, commented ingenuously, "I think we generate a lot of community good will."



## Magnificent Obsession

British Impresario Eric Douglas Morley is the man who launched commercial bingo in Great Britain and inaugurated a television program in 1949 called *Come Dancing* that has been broadcast by the BBC ever since. Few things are as close to Morley's heart, however, as the Miss World beauty contest, which he founded in 1951. He established it as a racier international version of the Miss America pageant and served as the announcer and chairman of the beauty judges.

In 1979 Morley bought one-third of the contest for about \$300,000. The following year, he bought the remaining two-thirds for a Scottish brewery he was then running. When the brewery ran into money problems last year, it decided to sell its interest. Who should step forward to buy it but Eric Douglas Morley, this time for himself. Since the show was first

broadcast on commercial television three years ago, TV rights have been sold in 40 countries, and Miss World has blossomed into a moneymaker. Last year it netted about \$360,000 and is now worth twice as much as it was in 1979. That means Morley will have to come up with \$1.2 million to get full ownership of his creation.

## Briefing Before Breakfast

For the busy executive who gets out of bed at an early hour and wants to watch something meatier than *Good Morning America*, now comes *Business Times*, a two-hour newscast that will debut March 1. Unlike most TV news shows, this one will be entirely staffed by journalists who specialize in business news, including some of the best in the field, and will be broadcast from a set that is supposed to duplicate the atmosphere of a Wall Street trading room. "Our emphasis will be on credibility and content," says James C. Crimmins, 48, the TV producer who created the program. "Our format will be business insiders talking to insiders." Sample segments: corporate strategy, high technology, currency hotline.

*Business Times*, which will be televised live at 6 a.m. and repeated at 7 a.m., is aimed at such early-rising businessmen as commuters and traveling executives. Crimmins hopes they will turn on their TV just as they would a radio while they get ready for work. The show will be carried on ESPN, the 24-hour cable sports network that now reaches 23 million homes. To keep some of its nonexecutive viewers happy, the program will also include a sports segment.

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